



WORLD HEADQUARTERS

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March 21, 2001

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VICE PRESIDENT
GENERAL COUNSEL & SECRETARY

VIA OVERNIGHT COURIER

National Highway Traffic
Safety Administration
Docket Management
Room PL-401
400 Seventh Street, SW
Washington, DC 20590

Re: Docket No. NHTSA 2001-8677 - 25
Notice 1

Subject: Comments on Advance Notice of Proposed Rulemaking,
Early Warning Reporting

To Whom It May Concern:

Dana Corporation, headquartered in Toledo, Ohio, is one of the world's largest suppliers to motor vehicle manufacturers and their related aftermarkets. We have carefully reviewed the provisions of NHTSA's Advance Notice of Proposed Rulemaking ("ANPRM") relative to the Transportation Recall Enhancements Accountability and Document (TREAD) Act, and take this opportunity to provide some of our Company's comments and concerns associated with issues posed in the ANPRM. Please understand that we have chosen only to comment upon certain issues at this preliminary stage, and that not commenting with respect to other issues raised in the ANPRM does not necessarily imply that we concur with the proposed rulemaking on these points.

1. WHICH SPECIFIC REPORTING OBLIGATIONS (e.g. WARRANTY CLAIMS, LAWSUITS, PROPERTY DAMAGE CLAIMS, FIELD REPORTS) SHOULD BE COVERED BY NHTSA EARLY WARNING REPORTING REQUIREMENTS?

We do not believe that warranty claims, lawsuits, claims, field reports, customer feedback summaries, fleet summaries, or manufacturing plant quality reports should be reported to NHTSA because the vast majority of such documentation would have little, if any, predictive value of safety defects in the field. From our own experience within Dana, we believe that the vast majority of the content of these types of materials do not involve motor vehicle safety, and that the burden upon companies to submit these kinds of materials, and the burden upon the Agency to even begin to read the same, would likely be substantial. Under reporting obligations already existing under 49 CFR

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Sections 573.5 and 573.8, along with foreign recall reports (required under TREAD) we believe the Agency will effectively be made aware of safety-related issues associated with motor vehicles and motor vehicle parts and components.

2. SHOULD INFORMATION ABOUT DESIGN CHANGES BE PROVIDED?

Dana Comment: Running production changes should **not** be reported to the Agency. As but one example, we examined a recent axle developed and manufactured by Dana for incorporation, by an original equipment manufacturer, into a sports utility vehicle. The number of running production changes for this one axle totalled 482. In this case, if the product had, instead, been a more complex system module (of which the axle would have only been one component), the number of production changes would have been even greater. Furthermore, these types of changes are not maintained by Dana in a central location, and reporting them to NHTSA would require the collective effort of scores of Dana manufacturing facilities located throughout the world. Additionally, much input associated with production changes comes from Dana's sub-suppliers. Attempting to obtain production change information, in a meaningful format, and from numerous sub-suppliers, would be a very difficult process which could cause Dana to violate confidentiality provisions in contracts it currently has with its supplier base. Requiring motor vehicle manufacturers, and manufacturers of motor vehicle components, to submit such vast quantities of information would be an immense burden upon both companies and the Agency, and would be far less efficient than existing reporting obligations to alert NHTSA of safety problems in the field.

Moreover, it is difficult to determine whether something is, or could be, safety related, and companies should not be required to engage in such academic and time-consuming pursuits, especially in light of the information and documentation, discussed above, which is already, or likely will be, submitted to the Agency.

3. SHOULD A MANUFACTURER BE REQUIRED TO REPORT INFORMATION ON INTERNAL INVESTIGATIONS?

Dana Comment: Reports on internal company investigations should **not** be submitted to NHTSA. Any such reporting would have a definite chilling effect upon both the quality and the quantity of investigations properly undertaken by companies, and could also be precluded by the attorney-client privilege. Vehicle manufacturers and vehicle component suppliers should have the ability and the freedom to undertake investigations, and to act upon the results of such investigations, in accord with applicable law and their own internal codes of conduct. NHTSA should not attempt to interject itself into such internal investigations because companies themselves are much better equipped to quickly and effectively conduct investigations, draw conclusions, and react accordingly. Existing law already requires that companies notify NHTSA of safety defect corrective actions which arise as a result of internal investigations, and Dana fully agrees with, and has always complied with, this conveyance of information and knowledge to the Agency.

4. SHOULD NHTSA REQUIRE WARRANTY DATA TO BE SUBMITTED USING STANDARDIZED CODES?

Dana Comment: Requiring original equipment manufacturers, Tier 1 suppliers, and the companies which supply Tier 1 suppliers, to somehow standardize warranty codes would be an extremely difficult undertaking. Dana, as but one company, has little uniformity across its many divisions in terms of warranty documentation. Given industry consolidation in recent years, we suspect the same is true of many other companies. Standardization problems would become ever more complex as thousands of companies, at all different levels in the supply chain, are required to reconcile warranty coding and reporting. Imbedded within this enormous effort would be the problems associated with product identification, product descriptions, part numbers, erroneous usage of codes, and with determining the point at which the initial reporting obligation would begin (e.g. at the level of the lowest component supplier or at the level of an assembly manufacturer several tiers later). The problems, of course, become even more complicated if the product involved is a system which has, over time, been modified, upgraded, or improved. As we mentioned in Comment 1, above, Dana does not believe that submission of warranty claims and experiences to the Agency is an effective method of predicting early field problems, and requiring different levels of suppliers, who supply a vast array of different products, to adhere to some uniform method of warranty coding would be onerous, impractical, and duplicative in the extreme.

5. SHOULD COMPANIES BE REQUIRED TO PROVIDE NHTSA WITH PASSWORDS SO THAT THE AGENCY CAN ACCESS THE COMPANY'S INTERNAL WEBSITE?

Dana Comment: Dana is concerned with allowing any third party, including NHTSA, access to its internal website (including its intra-company e-mail communications). The volume of communications is immense, and often competitively sensitive, and we believe NHTSA would be unable to glean anything of significance in this vast body of communications. Further, the Agency already has the ability to access Dana's external website which, like most other external company websites, has a feedback mechanism which any third party, inclusive of the Agency, can utilize.

6. SHOULD NHTSA REQUIRE REPORTING MANUFACTURERS TO "PROCESS, ORGANIZE, AND ANALYZE RAW DATA" AND SUBMIT SUCH DISTILLATIONS TO THE AGENCY IN SPECIFIED AND/OR STANDARDIZED WAYS?

Dana Comment: If the information ultimately required to be submitted consists of lawsuits or claims involving death or personal injury (which information is already regularly and centrally maintained), Dana believes that the relatively small quantity and number of such submissions could be made in a format which is convenient for the Agency. However, if great quantities of other documentation must ultimately be

reported to the Agency, Dana would object to requiring companies to somehow place those materials into some mandated format. We doubt that most companies presently have the systems and the personnel to create documents, not normally created or obtained, and certainly not to analyze such data, let alone organize reams of such material for the sole purpose of putting material into an externally mandated format. This data would not, in any event, be beneficial to the Agency as an early warning mechanism.

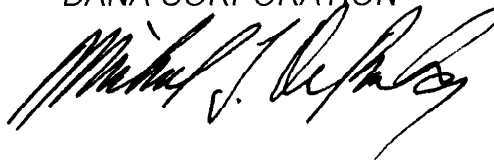
7. ARE THERE PROPOSED REPORTING OBLIGATIONS WHICH WOULD REQUIRE DANA TO INCUR SUBSTANTIAL EXPENSE IN UPGRADING DATA RECEIPT, RETENTION, ANALYSIS AND REPORTING CAPABILITIES?

Dana Comment: Until such time as there is more certainty concerning the new reporting obligations, it is difficult, if not impossible, for Dana to predict the extent to which it would need to commit additional resources and staff in order to comply. At the present time, Dana does not have the people, nor the infrastructure, to centrally collect, review, and submit many of the items mentioned in the ANPRM. Such material resides, if at all, in numerous and far-flung divisions and manufacturing plants. Similarly, we do not know the full impact of a regulation requiring standardization of warranty coding (see Dana Response 4, above), but would anticipate very significant costs, both in terms of time and money, to implement such far-reaching changes on a company-wide basis.

Dana has long viewed itself as a partner with the Agency in matters associated with the safety and integrity of the motor vehicle equipment products which it designs, manufactures, and sells. To that end, we believe that certain equipment of the regulations proposed by NHTSA in the ANPRM are useful and should be implemented. Other proposals, however, seem to us to be overly burdensome and not that helpful in avoiding problems which initially gave rise to the ANPRM. We appreciate the opportunity to make our views known in the context of the Agency's TREAD ANPRM.

Very truly yours,

DANA CORPORATION

A handwritten signature in black ink, appearing to read "Michael J. Replogle", is written over the printed name "DANA CORPORATION".

cc: Joe Magliochetti